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Christian Economics in One Lesson (Book Review)

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gles of race and family and politics and economy that we are all embroiled in every day—though it's a mistake to think of *The Refugees* as anything but a human story.

I can't say that my ancestors were quite refugees—landless and poor, even marginalized, but not exactly refugees. However, the burden of memory, the burden of forgetting, burdens of identity and re-forging identity, burdens of settling for jobs and love and even families that you must keep in order to survive but which are not the things you dreamed they would be, but going on despite all of these things—these are the realities that the stories of *The Refugees* make clear.

And it's precisely the refugee with these kinds of burdens which, generation after generation, our world continues to make and which, generation after generation, our world will continue to en-

counter.

If you have somehow managed to avoid coverage of the current refugee crisis, or if you've become desensitized to its treatment in the news, I encourage you to watch one or more of the short documentaries that have been made about it. Daphne Matziaraki's *4.1 Miles* is a good place to start.

Refugees are the way of the world. Even if we close our borders this time, there will be a next time. They will come, they are coming, they will continue to come. And as we, both the church and America, consider what it means to receive refugees, to help them on—not just to food and clothing and jobs in the short term, but to healing that will take a lifetime—it's books like Viet Thanh Nguyen's *The Refugees* that must be our primer.

Christian Economics in One Lesson. North, Gary. Powder Springs, GA: American Vision Press, 2016. 241pp. ISBN: 978-0-9972402-1-4. Reviewed by Sacha Walicord, Associate Professor of Business Administration, Dordt College.

“There is not a square inch in the whole domain of our human existence over which Christ, who is Sovereign over all, does not cry, Mine!” This well-known quote of the former prime minister of the Netherlands (1901-1905) and Reformed minister Abraham Kuyper is well known in our circles. It talks about the application of God's Word to every single area of human existence. While most of us readily subscribe to these words, there seem to be areas of research in which we are quite inconsistent in applying God's Word. In my view, economics is one of the underserved areas in this respect. It seems to be too closely connected to partisan-political issues and therefore off-limits for many Christian authors and worldview thinkers because political correctness has made a major inroad into the church of Jesus Christ. Out of such concerns, consistently biblical publications for areas like politics or economics remain rarities in our day and age. Even Abraham Kuyper remained inconsistent in applying biblical law and biblical economics in the Netherlands, an inconsistency that led to the democratic-welfare state in Holland.

Economist Gary North has tried to fill this gap over the last few decades with several publications to such an end, most famously his *Economic*

Commentary on the Bible,¹ which he makes available free of charge on the internet. Now, with his newest publication, *Christian Economics in One Lesson*, he has done something quite remarkable, namely he has re-written Henry Hazlitt's 1946 libertarian classic *Economics in One Lesson*, a re-writing based on Biblical principles for a Christian audience. Of course, since economic theory and practice is so entangled with the state and its politics today, such a work cannot be written purely from an economic viewpoint but has to include a view of the role of government in society.

North uses Ray Sutton's five-point biblical covenant model as a pattern to look at twenty-one applications of Frederic Bastiat's economic parable of the Broken Window, which was a key economic fallacy addressed by Hazlitt in his aforementioned work. In Bastiat's parable, a shopping window represents the free market. A vandal throws a stone into this window and breaks it. People gather around the broken window and reason that this act of destruction might not be such a bad thing. After all, the broken window provides new income for the glazier in replacing the window, who then spends his income somewhere else, which is good for the businesses where he spends his money, and

so forth. Both Bastiat in 1850 and Hazlitt in 1946 explain that this reasoning is fallacious because it only discusses *things seen* but ignores *things unseen*. In the case of the broken window, what the people do not see is that, had the window not been broken, the owner would have spent his money elsewhere in the production of new goods instead of on the replacement of broken goods. Hazlitt used this parable to explain how politicians implement all kinds of governmental intrusions into the free market by misleading voters with great promises about “things seen” while ignoring or hiding “things unseen.” In a sense, a lot of modern economic reasoning assumes the same false reasoning of Bastiat’s broken window parable.

North takes Hazlitt’s libertarian work, in which he attacks excessive governmental economic intrusions, and puts it into a Christian context. The five-point covenant model that North applies outlines a definition of biblical law through God’s covenants with man. The five covenantal points in terms of social theory are sovereignty, authority/hierarchy/representation, ethics/law, sanctions (positive and negative), and succession. North applies these five points to the economic framework of the broken-window fallacy. He thus orders his book in five sections: owner, window, stone, costs, consequences.

First, the *owner* is usually the one (or more than one) who is being affected by some governmental policy. The *window* represents private ownership as such. It is violated every time governmental policy intrudes on private property rights. Every time private property rights are violated, people’s trust in the integrity of the institution of private property is violated as well. The *stone* represents the intrusion on private property. It represents the principle of envy in the form of politicians redistributing private property from its proper owner to somebody else who does not own that property and has not worked or traded for it. *Costs* represent the chain of unfavorable economic events set in motion by governmental violation of property rights. These costs include the “things unseen,” which are not ordinarily taken into account when one is calculating the costs of a certain policy, but they are often so significant that they have results that oppose and counteract the intention of the policy. These are the unintended consequences of an often well-meant policy decision. Lastly, *conse-*

quences are just that: a description of the long-term effects of governmental intrusions into the entire social order. They are like the ripples spread from a stone thrown into a lake.

One of the most remarkable things in this book is that it does not start, as most economics textbooks do, with the problem of the scarcity of resources, but it begins with the definition of property and with the most foundational biblical premise for all economic thinking. This premise is the Eighth Commandment, which is “Thou shalt not steal.” In this commandment, we find the basis for all property rights, namely God’s sovereign ownership over all things. Because God owns all things, all human ownership is *derived ownership* and has to be exercised according to God’s will. This is called *biblical stewardship*. The Eighth Commandment is the most basic rule for how to exercise ownership according to God’s will. It is an absolute rule; therefore, whoever steals, violates God’s assigned property rights and thereby rebels against God’s order. This is why governmental intrusion on property rights by way of redistribution beyond the means necessary to fulfil the duties of Romans 13—or taking property from its owners and giving to non-owners—is considered theft and is therefore sinful.

According to North, all statist and redistributionist policies are in stark contrast with God’s Word and therefore incompatible with a consistent biblical worldview. The Bible clearly teaches compassion for the poor (though not for the lazy: see 2 Thess. 3:10). At the same time, Scripture clearly states that charitable compassion has to be a voluntary compassion from a person’s heart and not a coerced or government-forced redistribution. Coerced redistribution is government-sanctioned theft, and there would be no compassion involved in it at all. While the government officials “help” the poor (but also corporations, unions, abortion clinics, etc.) with other people’s money, these other people never had the chance to *voluntarily* give to the poor. North makes it clear that there is no amendment to the Eighth Commandment in the form of “Thou shalt not steal, except by majority vote.” Even in democracies, theft remains theft and plunder remains plunder. The fact that plunder is *legal* does not make it *right* in God’s eyes.

North says that there are only three ways to settle the issue of legal plunder:

1. The few plunder the many.
2. Everybody plunders everybody.
3. Nobody plunders anybody.

According to God's Word, the solution should be quite obvious.

North applies these biblical principles to twenty-one different economic fallacies of government intervention, from the myth that wars stimulate economies to John Maynard Keynes' view that saving is a cause of reduced consumption.

Christian Economics in One Lesson is a book that I have long waited for, as it presents economic issues from a truly biblical perspective without falling into the trap of adding a great dose of Marxism in order to be politically correct and pleasing to the Left. On the other hand, while biblical economic outcomes are more often than not in line with their outcomes, North doesn't cater to humanist libertarians either. That's why Hazlitt's *Economics in One Lesson* had to be rewritten, in order to be built upon a biblical-moral foundation instead of on one of economic pragmatism. While Marxists decidedly argue contrary to biblical ethics, humanist libertarians, according to North, seek to avoid moral arguments altogether.

One thing that North can never be accused of is being a people-pleaser. He goes where the (first exegetical, then economic) facts lead him, without paying much attention to the sensitivities of certain reader-groups. He actually does what many "worldview champions" only pay lip service to: he uncompromisingly and consistently applies God's Word to the field of economics. Whether he hits the political and economic preferences of all his readers remains to be seen, but North's clear allegiance is the uncompromising application of God's Word rather than the applause of the some-

times biblically-inconsistent, ivory-tower transformationalist crowd.

On the critical side, what I found most detrimental in working through North's book is less a content issue than a didactic concern. While I appreciate the consistent application of God's covenantal structure to our thinking, I found that the structuring of every single economic issue according to Sutton's five-point covenant model seemed a little forced and not conducive to clarity. I also found that at times North could have been clearer in explaining some issues for people without prior economic knowledge. For example, on page 71 he uses the concept of "marginal output" without any definition or explanation in prior chapters. At times, he describes the owner of property as the "highest bidder" thereof. Although economists clearly understand what that means, a person without prior knowledge might struggle with such concepts. Furthermore, the first thirty pages are repetitive to an extent that readers might get confused on whether new material is being introduced or old material reiterated.

In summary, I have to say that this work is highly important as it provides a consistently biblical approach to economics. While there is, in my view, some problem on the didactic side of things, the strengths of this book far outweigh its weaknesses. I strongly recommend it for all sorts of Christian economic educational contexts, for Sunday schools, for homeschoolers, and for the interested Christian who wants to be a responsible citizen and an obedient child of God in all areas of life.

Endnote

1. Published here: <https://www.garynorth.com/public/department158.cfm>